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Counsel to the Debtors and Debtors in Possession

> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

- - - - - - - - x In re: Chapter 11 Circuit City Stores, Inc., : Case No. 08-35653(KRH) et al., Debtors. : Jointly Administered - - - - - - x

DEBTORS' SECOND OMNIBUS OBJECTION TO THE MOTIONS PURSUANT TO 11 U.S.C. §§ 365(A) AND 503(B) TO COMPEL ALLOWANCE AND PAYMENT OF POST-PETITION RENTAL OBLIGATIONS AS ADMINISTRATIVE EXPENSES

The debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), 1

 $<sup>^{1}</sup>$  The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC (cont'd)

hereby submit this omnibus objection (this "Objection") to the Motions Pursuant To Sections 365(d)(3) and 503(b) of the Bankruptcy Code, to Compel Allowance and Payment of Post-Petition Rental Obligations as Administrative Expenses (D.I.s 565, 623, 627, 630, 647, 816, 838, 875, 879, 898, 901, 945, 949, 960, 969, 971, 975, 977, 980, 983, 984 and 1025, collectively, the "Motions"). In support of this Objection, the Debtors, by and through their undersigned counsel, respectfully represent as follows:

## BACKGROUND

- 1. On November 10, 2008 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code.
- 2. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

<sup>(</sup>cont'd from previous page)

Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc.(6796), Sky Venture Corp. (0311), Prahs, Inc.(n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courcheval, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan (cont'd)

- 3. On November 12, 2008, the Office of the United States Trustee appointed a statutory committee of unsecured creditors (the "Creditors' Committee"). To date, no trustee or examiner has been appointed in these chapter 11 cases.
- 4. The Debtors are in the process of analyzing their remaining leases, including the Movants' leases set forth in <a href="Exhibit A">Exhibit A</a> (the "Leases"), to determine whether to assume or reject such leases.

## OBJECTION

5. As set forth more fully in Exhibit A, the Movants make several demands. For the reasons set forth in Exhibit A and in the Debtors' Omnibus Objection to the Motions Pursuant To Sections 365(d)(3) and 503(b) of the Bankruptcy Code to Compel Allowance and Payment of Post-Petition Rental Obligations as Administrative Expenses (D.I. 641), which is hereby fully incorporated by reference and adopted herein, the Motions should be denied.

<sup>(</sup>cont'd from previous page)

Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.

- 6. Primarily, the Movants request that this
  Court order the Debtors to <u>immediately</u> pay the Movants'
  alleged administrative claims for rent, common area
  maintenance (including insurance), taxes other rent
  related obligations (the "Stub Rent") for the period from
  the Petition Date through November 30, 2008 under
  Bankruptcy Code sections 365(d)(3) and/or 503(b).
- 7. Additionally, many of the Movants also request that this Court order the Debtors to pay December rent, common area maintenance (including insurance), taxes and/or other rent related obligations (the "December Rent") under Bankruptcy Code section 365(d)(3). Upon information and belief, the Debtors have paid December Rent under the Leases where such have become due. In other instances, as noted in <a href="Exhibit A">Exhibit A</a>, the Debtors pay rent in arrears, in which case post-petition rent obligations have not yet become due.
- 8. Finally, the Movants' request payment of other amounts, including obligations that have not come due, attorneys' fees, late charges and interest.
- 9. For the reasons set forth herein, such requests should be denied.

## CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) sustain this Objection, (ii) deny the Motions and (iii) grant the Debtors such other and further relief as is just and proper.

Dated: December 18, 2008 Richmond, Virginia

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